



[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-133495-13]

RIN 1545-BL78

Alternative Simplified Credit Election

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking by cross-reference to temporary regulations.

SUMMARY: This document contains proposed regulations relating to the election of the alternative simplified credit. The proposed regulations will affect certain taxpayers claiming the credit. In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing temporary regulations concerning the election of the alternative simplified credit. The text of those regulations also serves as the text of these proposed regulations.

DATES: Comments and requests for a public hearing must be received by **[INSERT DATE THAT IS 90 DAYS AFTER PUBLICATION OF THIS DOCUMENT IN THE FEDERAL REGISTER]**.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-133495-13), room 5205, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of

8 a.m. and 4 p.m. to: CC:PA:LPD:PR (REG-133495-13), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC, or sent electronically via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS REG-133495-13).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, David Selig, (202) 317-4137; concerning submission of comments and requests for a hearing, Oluwafunmilayo Taylor, (202) 317-6901 (not toll-free numbers).

#### SUPPLEMENTARY INFORMATION:

##### **Background**

Temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** amend the Income Tax Regulations (26 CFR Part 1) relating to section 41. The temporary regulations provide guidance concerning the election of the alternative simplified credit (ASC) under section 41(c)(5). The text of those regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains these proposed regulations.

##### **Special Analyses**

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866, as supplemented by Executive Order 13563. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations. It is hereby certified that the collection of information in these regulations will not have a significant economic impact on a

substantial number of small entities. Although a substantial number of small entities may make an ASC election on an amended return pursuant to these regulations, the economic impact of any collection burden on these entities relating to this election is minimal because the regulations will result in a benefit to taxpayers by providing additional time for taxpayer to calculate and elect the ASC. Accordingly, a regulatory flexibility analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. Pursuant to section 7805(f) of the Internal Revenue Code, these regulations will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

### **Comments and Requests for Public Hearing**

Before these proposed regulations are adopted as final regulations, consideration will be given to any comments that are submitted timely to the IRS. The Treasury Department and the IRS request comments on all aspects of the proposed rules. All comments will be available at [www.regulations.gov](http://www.regulations.gov) or upon request.

A public hearing will be scheduled if requested in writing by any person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the **Federal Register**.

### **Drafting Information**

The principal author of these regulations is David Selig, Office of Associate Chief Counsel (Passthroughs and Special Industries). However, other personnel from the IRS and the Treasury Department participated in their development.

## List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

## Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

### PART 1--INCOME TAXES

Paragraph 1. The authority citation for part continues to read, in part, as follows:

Authority: 26 U.S.C. 7805 \* \* \*

Section 1.41-9 also issued under 26 U.S.C. 41(c)(5)(C). \* \* \*

Par. 2. Section 1.41-9 is amended by revising paragraph (b)(2) to read as follows:

§1.41-9 Alternative simplified credit.

\* \* \* \* \*

(b) \* \* \* (1) \* \* \*

(2) [The text of proposed §1.41-9(b)(2) is the same as the text of §1.41-9T(b)(2) published elsewhere in this issue of the **Federal Register**.]

\* \* \* \* \*

John Dalrymple

Deputy Commissioner for Services and Enforcement.

[FR Doc. 2014-12758 Filed 06/02/2014 at 8:45 am;

Publication Date: 06/03/2014]